

RECORDATION NO. 25245-8 FILED

VIA UPS 2ND DAY AIR

FIRST UNION RAIL

OCT 15 '04 4:00 PM

SURFACE TRANSPORTATION BOARD

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588



October 13, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated September 13, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Board on this date as Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Canadian Pacific Railway Company
401 9th Ave SW, 5th Floor
Calgary, Alberta T2P 4Z4
Canada

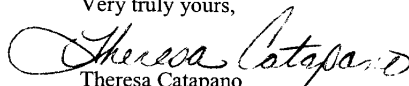
A description of the railroad equipment covered by the enclosed document is forty (40) 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondolas (E534), cars marked NDYX and NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(CP052)

REGISTRATION NO. 25245-B FILED

ASSIGN. NO. CP052

OCT 15 '04 4:00 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of September, 2004, by and between the Montreal branch of FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and CANADIAN PACIFIC RAILWAY COMPANY, (the "Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease") dated as of February 4, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 6 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of February 5, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan Barrie

TITLE: Regional Vice President, Sales

SIGNATURE: Susan Barrie

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

Gordon Hopkins
I, ~~Danielle Lord~~, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of September, 2004.

Gordon Hopkins
Commissioner of Oaths

My Commission expires:

21/07/2006



LESSEE:

CANADIAN PACIFIC RAILWAY COMPANY

Donald B. Campbell
NAME: VP Business Planning & Development
Canadian Pacific Railway

TITLE : _____

SIGNATURE: Donald B. Campbell

PROVINCE OF Alberta

CITY
DISTRICT OF Calgary

I, D.F. Barnhardt, a Commissioner of Oaths of the Province
and District aforesaid, certify that Don Campbell personally appeared before me
this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of September, 2004.

D.F. Barnhardt
Commissioner of Oaths

~~My Commission expires:~~
DON BARNHARDT
~~Barrister and Solicitor~~
Suite 920, 401 - 9th Avenue SW
Calgary, AB T2P 4Z4
Telephone: 319-6183

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Forty (40).

DESCRIPTION OF CARS: 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondola (E534) cars
suitable for scrap metal service.

CAR NUMBERS:

NDYX 320783	NOKL 321560
NDYX 320790	NOKL 321561
NDYX 320798	NOKL 321562
NDYX 320801	NOKL 321563
NDYX 320802	NOKL 321564
NDYX 320804	NOKL 321565
NDYX 320810	NOKL 321566
NDYX 320814	NOKL 321567
NDYX 320820	NOKL 321568
NOKL 320133	NOKL 321609
NOKL 320149	NOKL 322033
NOKL 321550	NOKL 322034
NOKL 321551	NOKL 322036
NOKL 321552	NOKL 322039
NOKL 321553	NOKL 322040
NOKL 321554	NOKL 322041
NOKL 321555	NOKL 322043
NOKL 321557	NOKL 322046
NOKL 321558	NOKL 322048
NOKL 321559	NOKL 322120
Count 40	